

Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

FOREWORD

Information not yet received.

T1.0.1

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER’S OVERVIEW (Draft) 2015/16 Financial Year

Mogale City Local Municipality accomplished another eventful and successful fiscal year in 2015/2016. An intensified spirit of quality service delivery was carried from 2014/2015 financial year based on an Unqualified Audit Opinion without any material findings (Clean Audit) into the period under review.

The municipality ensured alignment of its planning through the Revised Integrated Development Plan 2015/2016, Reviewed Strategic Plan 2013-2018 and the Service Delivery Budget Implementation Plan 2015/2016 to streamline requisite performance and service delivery.

This year saw increased interaction between councillors and officials in the interest of a better life for all in Mogale City. The municipality awarded tenders to the value of R, to BBBEE service providers, which was % of total value of tenders awarded.

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The municipality rehabilitated its roads network and ensured that its peri-urban areas were socio-economically linked to their urban neighbours. Work on the critical precinct plans for all our peri-urban areas started earnestly and this will result in tangible economic benefits for the peri-urban communities.

The municipality remains heavily indebted to its employees' sterling performance in spite of the moratorium on filling of vacant positions which was related to the expected Demarcation of the West Rand municipalities into one Metropolitan Council. The moratorium continued long after such a proposal was rejected by the Demarcation Board. The municipal budget expenditure on salaries decreased from 29 % to 25 % of Operating Expenditure Budget, (which is way below the prescribed National Treasury guideline of 33 %, it is not yet a cause for concern. The municipality continued to invest substantially in human capital development. The City continued to assist other municipalities with Human Resource Capacity on a continuous basis in critical areas such as legal, procurement, internal auditing, asset management, public safety, performance management, risk and financial management.

In line with the Government's objective to alleviate poverty and the Back to Basics programme, the municipality adopted an Indigent Management Policy through which it provided 18 528 households with basic services including six kilolitres of water, 50 kw/h of electricity, sanitation services, refuse removal and indigent burial assistance.

The municipality embarked upon addressing the serious matter of relocating the Tudor Shaft and Soul City Informal Residence to habitable land in collaboration with the National Department of Human Settlement, through the Housing Development Agency.

The Municipality has extended the rendering of free basic services to 92 informal settlements housing approximately 13 015 households (with a population of 31 213 occupants) within its area of jurisdiction by providing 6 kl of water per resident on a daily basis using the water tankering, free refuse removal, free basic sanitation and free burial for qualifying households.

The municipality's collaboration with the national and provincial government departments and state agencies resulted in accelerated delivery on the human settlement front and other portfolios. All racial groups have benefited from government subsidized human settlements as well as other social development benefits offered by government. To this end, the Chief Mogale in Kagiso remains a scintillating example of a racially integrated township in the Post-Apartheid era.

The municipality embarked upon programmes that support impending alternative renewable energy projects such as the Blue Waste to Energy and Feriaville Solar Farm. A Positive Records of Decision (RODs) for both projects was awarded by the relevant Provincial Department. It is expected that the National Energy Regulator of South Africa (NERSA) shall grant a license for these projects in due course.

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Service delivery in the rural/peri urban areas remained a priority in the year under review, with focus on roads, water and sanitation, as well as acquisition of suitable land for human settlements.

To ensure financial viability, during the year under review, the municipality achieved 96% revenue collection. Similarly the municipality continued to implement the revenue enhancement strategy and strict credit control measures. The performance expenditure on the Capital Budget amounted to 79 %. Through prudent financial management the expenditure of the municipality was curbed via implementation of cost containment measures. The expenditure on National Government Grants received was on average 87.87 % which consisted of the Municipal Infrastructure Grant (87.78 %); Neighbourhood Development Programme Grant (100%) and Department of Energy (100). It is worth noting that the difference of less than 13 % of the funds would be spent in the subsequent year as the rest of it was already committed as projects had already started on various sites.

The municipality would like to thank its citizens for their feedback and constant engagement. Citizen participation and ownership of our programmes are the hallmarks of the municipality's service delivery *ethos*. The municipality thanks its employees for the hard work and commitment in the year under review. We extend our gratitude to our sister municipalities in the West Rand District as well as the Provincial and National Spheres of Government for their unqualified support.

Le kamoso!

DAN MASHITISHO
MUNICIPAL MANAGER

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1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Mogale City Local Municipality (MCLM) is a municipal area that incorporates previously racial divided black and white municipal authorities of Kagiso, Munsieville and Krugersdorp. MCLM otherwise known as the City of Human Origin is home to the Cradle of Humankind World Heritage Site. The site, which is popular known for the Sterkfontein Caves.

MCLM, Randfontein Local Municipality, Westonaria Local Municipality and Merafong City are constituent local municipalities of the West Rand District Municipality. MCLM covers an area of approximately 110 000 hectares, with Krugersdorp as the major CBD. It is accessible from all the major centres of Gauteng and North West Province, namely Johannesburg, Pretoria, Midrand, Hartebeespoort dam, Randfontein, and Soweto, to name but a few places.

There are 34 wards in the entire MCLM, including additional two wards established with the re-demarcation for the 2011 Municipal Elections. The one ward used to be a District Management Area, DMA, Cradle of Humankind, and World Heritage Site. The other ward is as a result of division of the previously vast ward 3.

The City has 362 422* number of persons residing in the municipality, and 117 737* number of households in the area. The city comprises of both formal and informal households.

Source: Census 2011 data

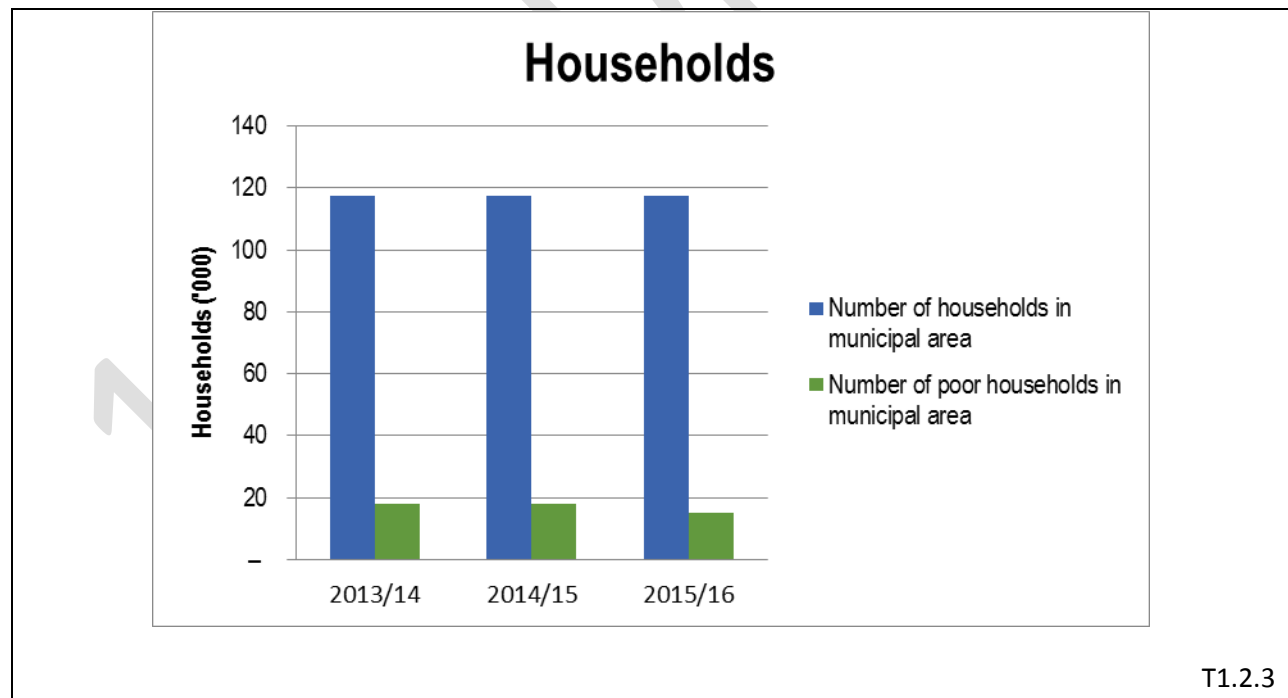
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Population Details			
Age	2015/16		
	Male	Female	Total
Age: 0 – 4	20 099	19 794	39893
Age: 5 – 9	13 017	13 285	26302
Age: 10 – 19	27 546	26 926	54472
Age: 20 – 29	43 824	36 726	80550
Age: 30 – 39	32 533	28 790	61323
Age: 40 – 49	22 111	22 987	45098
Age: 50 – 59	14 907	15 683	30590
Age: 60 – 69	7 237	7 787	15024
Age: 70+	3 707	5 463	9170
	184 981	177 441	362 422

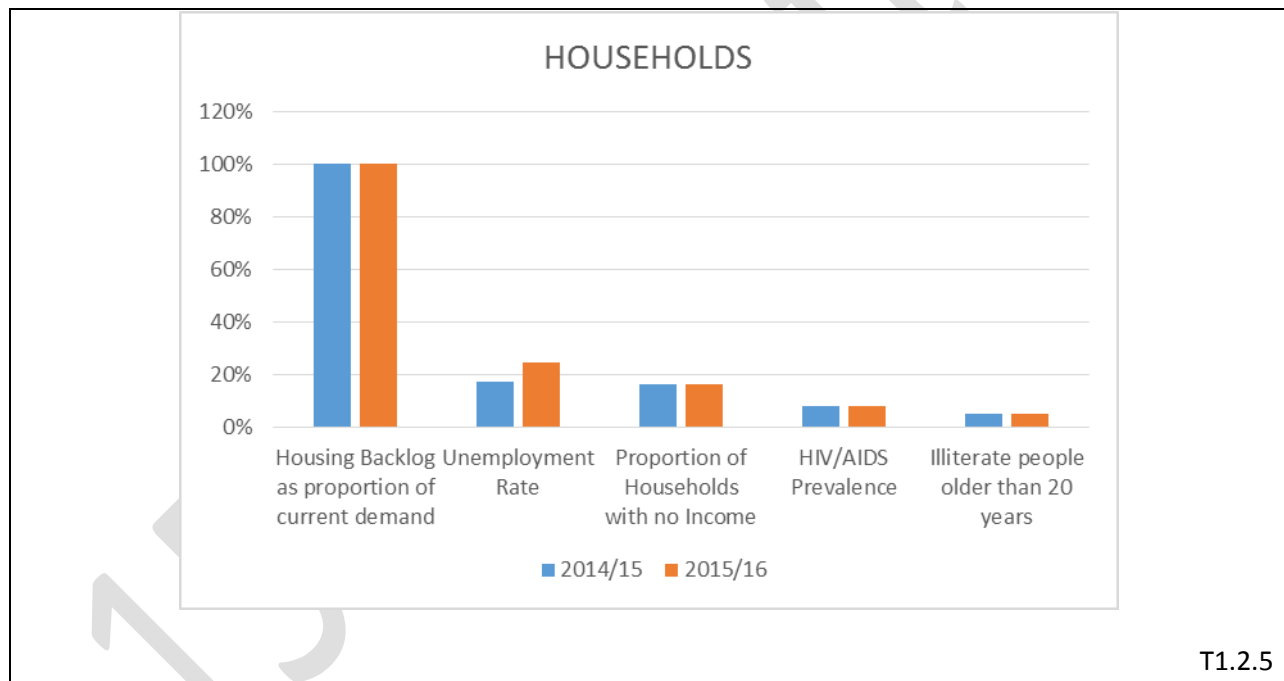
Source: Statistics SA(*Census 2011*)

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Socio Economic Status (as a %)					
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	HIV/AIDS Prevalence	Illiterate people older than 20 years
2013/14	100%	17%	16%	8%	5%
2014/15	100%	24.6%	16%	8%	5%
2015/16	100%	24.6	16%	8%	5%
					T1.2.4



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Overview of Neighbourhoods within Mogale City Local Municipality		
Settlement Type	Households	Population
Towns		
Krugersdorp	23 262	74 799
Sub-Total	23 262	74 799
Townships		
Kagiso	26 472	113 240
Munsieville	5 097	33 048
Rietvallei 1, 2 and 3	15 915	78 164
Sub-Total	47 484	224 452
Rural settlements		
Muldersdrift	8 817	29 445
Tarlton	2 226	15 945
Magaliesburg	2 589	10 302
Hekpoort	1 944	7 479
Sub-Total	15 576	63 171
Informal settlements		
Hekpoort-ward 32		
Hekpoort 74 (Supply)	45	149
Hartebeesfontien 10 (Dula Park)	35	116
Hartebeesfontien 185 (Radikgomo)	38	79
Hekpoort Central (Panorama)	41	126
Hekpoort 34 (Mpandlane)	50	144
Hekpoort Central (Pokolo)	13	49
Hekpoort plot 10 (Indingo)	65	184
Manharaand 393 JQ (Tswelopele)	84	293
Hekpoort (Toinyane)	45	140
Weltevereden Park (Dizozong)Festive	54	105
Sterkfontein 173 (Dairy)	87	219
Roelf Nursery	90	153
Remainder of Ptn 1 Volgezang	63	177
Magaliesburg-ward 31		
plot 116 Orient Butchery	20	77

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plot 117 Orient Butchery	15	89
Blaaubank Res (Ga-Mohale)	205	945
Vaalbank -Ptn 82 (Buya Africa + Rietpoort)	63	236
Settlement Type	Households	Population
Informal settlements		
Hartely 506	123	525
Newthorndale	29	40
Blaauwbank 15	10	33
MULDERSDRIFT 1 WARD 23		
Plot 31 Lindley	20	63
Plot 84 Lindley (Joe Slovo)	110	335
Plot 85 Lindley (Maplankeng)	10	45
Plot 62 Driefontein (Sekolong)	18	47
Plot 81 Elandsdrift (Magodola)	111	273
Plot 71 &72 Driefontein (Avianto)	16	60
Plot 60 Heunigklip	45	135
Plot 39 Nooitgedacht	23	70
Plot 69 Rietfontien (Avianto)	60	188
Rietfontein 189 IQ Ptn 81 M/drift	112	452
Plot O Van Wyk Restant	50	140
Plot 5 Swartkop	13	34
Plot 54 &55 Swartkop	17	63
Plot 163 Rietfontein	11	32
Plot 525 Swartkop	20	68
Plot 78 (Ethembalethu)	35	144
Plot 17 Swartkop	63	103
MULDERSDRIFT 2 WARD 28 (NOOITGEDACHT)		
Plot 4 Rietfontein	1 540	1 426
Plot 8 Van Wyk Restant	39	68
Plot 21 Rietvlei	34	95
Plot 33 Van Wyk Restant	20	43
Plot 34 Rietvlei	35	92
Plot 38 Nooitgedacht	55	98
Nooitgedacht 534 IQ Ptn 42/Re	25	62
Rietfontein 189 IQ Ptn 42	25	86
Plot 63 Lindley	43	91
Plot 77 Rietvlei	48	72

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Plot 79 Rietvlei	93	231
Plot 83 & 90 Rietfontein	310	780
Nooitgedacht 534 IQ Ptn 89	232	632
Plot 189A Rietvlei	49	121
Settlement Type	Households	Population
Informal settlements		
Plot 195 Rietfontein	24	81
Plot 53 & 54 Rietfontein	29	55
Plot 63 Rietvlei	43	68
Plot 69 Rietvlei	39	57
Plot 140 Rietfontein	90	105
Plot 163 Rietfontein	30	72
TARLTON -WARD 30		
Vlaakplaats 147 IQ (Smoke Down)	581	1 005
Delarey 164 IQ Ptn 3 (Orient Hills)	783	2 800
Vlaakplaats 160 IQ Ptn 311 (Matshe)	1 442	2 400
Vlaakplaats 160 Ptn 6 (Seroba)	773	1 458
Brickvale 161 IQ (Norman 1&2)	755	2 100
Plot 5 Vlaakplaats 160	215	540
		250
Vlakdrift 163 Ptn 4 (Thabong Comm)	75	
Vlaakplaats 173 (De Klerk)	94	180
Ptn 8 Kromdraai 520 JQ (Gool Hof)	*Still in process of validating the number of households and population for the Cradle of Humankind Heritage site	
Ptn 10 Kromdraai 520 JQ		
Ptn 26 Kromdraai 520 JQ		
Ptn 26 Kromdraai 520 JQ		
Ptn 32 Kromdraai 520 JQ (Mavendeng		
Ptn 58 Kromdraai 520 JQ (Mochineng)		
Ptn 8 Nooitgedacht 534 JQ		
Ptn 38 Nooitgedacht 534 JQ (Bafulatau)		
Ptn 89 Nooitgedacht 534 JQ		
Ptn 7 Elandsdrift 527 JQ		
Plot 39 Lammermoor A/H		
Ptn Rhenosterspruit 495 JQ		
Ptn 69 Swartkop 172 IQ		
Ptn 173 Sterkfontein 173 IQ (Dairy)		
Ptn 52 Tweefontein 523 JQ		

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Ptn 55 Swartkrans 172 IQ		
URBAN INFORMAL SETTLEMENTS		
KAGISO -WARD 14		
Tudor Shaft	430	1 102
Soul City Ext 1,2, & 3	907	3 010
Settlement Type	Households	Population
Informal settlements		
CBD WEST		
WESTVILLAGE-WARD 26		
Makhulu-Gama	769	2 430
BBR	99	330
OK	32	95
Scoonplaas	202	570
Swimming Pool	86	154
West Rand Railway	6	14
MUNSIEVILLE-WARD 25		
Pongoville	1 005	2 058
Sub-Total	13 015	31 214
Total	99 337	393 636
T1.2.6		

Natural Resources	
Major Natural Resource	Relevance to Community
NONE	
T1.2.7	

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COMMENT ON BACKGROUND DATA:

The majority of the population of Mogale City belong to the age group 20-29 with a total of 80 550 individuals followed by the 30-39 year olds with a total of 61 323, while the minority of the population belong to the age group 70+ sitting at 9 170 individuals. Approximately 15.5% households in the Municipal area are poor. The unemployment rate of the area is sitting at 24.6% which has significantly decreased when compared to the 33.6% of 2001. With that said this necessitates that the Municipality offers support to these households. Mogale City Local Municipality adopted the Indigent Management Policy that seeks to facilitate the provision of basic municipal services to these poor households. The number of illiterate people older than 20 years has also drastically decreased from 9.8% in 2001 to 4.7% in 2011.

The total number of informal settlements within the Municipal area has increased from 91 settlements during the 2012/13 financial year to 92 settlements during the year under review, which house approximately 13 015 households and 31 213 occupants. These households have, in terms of the Constitution, the right to basic services, and the municipality ensures the provision of these services by tankering water on a daily basis, providing Communal Public Taps, VIP toilets, Skip Bins as well as High Mast lights.

The Municipality has with the re-demarcation process for the 2011 Municipal Elections attained the District Management Area (DMA). As per table T1.2.6: Overview of Neighbourhoods within Mogale City, Informal Settlements within the DMA have been identified, however, the Municipality has not as yet established the total number of households and occupants in the said area, nonetheless, surveys will be conducted to ensure that the Municipality retains an Informal Settlements Register that is as complete and comprehensive as possible. This has affected the total number of settlements and occupants as enumerated on the above stated table.

T1.2.8

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1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The South African Constitution states that municipalities have the responsibility to ensure that all citizens are provided with services to satisfy their basic needs. Municipalities must ensure that people residing within their areas of jurisdiction have at least the basic services they require. These services have a direct and immediate effect on the quality of the lives of the people in that community.

Mogale City Local Municipality ensures the provision of basic services by utilizing our own resources and through the use of service providers. The majority of the basic services are provided by the Department Infrastructure Services. The main function of the Infrastructure Services Department is to ensure the delivery of all the basic service relevant to the municipality.

The major challenge Mogale City is faced with, in terms of the provision of basic services and the attainment of universal access to basic services is that certain households reside on privately owned land while others reside in areas that have not been proclaimed for human settlement. Despite, the challenge above, the municipality utilizes the Municipal Infrastructure Grant (MIG), other forms of grants as well as own funds to address the backlog and extend the provision of basic services.

Access to Water

MCLM universal access to water target has been achieved to a large extent. As indicated above, the majority of households with no access to piped water reside on privately owned land or land that has not been proclaimed for Human Settlement. MCLM has dedicated resources to assist these households by providing stand pipes along settlements and in other cases provide tankered water. 93% of households within the Mogale City Municipal area have access to water which is above the minimum service delivery levels. The remaining 7% receives water through communal stand pipes and water is tankered on a daily basis.

Access to sanitation

MCLM aims to eradicate all sanitation backlogs. According to Census 2011 there are approximately 7 000 households which account for 7% of the total households that need to be provided with sanitation services that meet the minimum basic service levels. These households are mainly in the rural areas and informal settlements. The Municipality ensures that these households are provided with VIP toilets to cater for their sanitation needs.

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Waste Management

The Municipality endeavors to ensure that solid waste is collected at least once a week and provides households with 240L bins. Households that reside in Informal Settlements are provided with skip bins to dispose of their refuse. The Municipality also ensures the clearance of illegal dumping sites and the management of landfill sites within the Municipal area.

Access to electricity

The availability of electricity and backlogs remain confined to Informal Settlements and rural areas of MCLM. The provision of electricity within the municipal area is done by both the municipality and ESKOM. The electrification programmes of the municipality has focused on providing illumination through high mast lights in informal settlements. The Municipality also ensures the maintenance of electrical infrastructure, which in turn ensure a firm supply of the required electricity.

Eradication of informal settlements

Mogale City Local Municipality is not a housing authority, however, the municipality collaborates with the Gauteng Department of Human Settlements in ensuring that houses are provided in the Municipality area. The responsibility of the municipality is to identify and acquire the land that can be transformed into townships and also ensure that the necessary studies are completed and applications for township establishment are processed.

In-migration and farm eviction remains the biggest challenge in MCLM. Based on the Municipal Informal Settlement Register there are currently 92 informal settlements housing approximately 13 015 households and about 31 213 occupants. The top 3 large settlements being Plot 4 Rietfontein accommodating approximately 1 540 households, Vlakplaats 160 IQ Ptn 311 commonly known as Matshelapata accommodating around 1 442 households and Pangoville accommodating approximately 1 005 households. MCLM has assisted destitute families who have been evicted from farming areas through the provision of emergency site and services.

The concern of poverty is one that affects South Africans to a great extent. Approximately 15.5% of households within the municipal area have no income (Census 2011). The Municipality has made provision by adopting the Indigent Management Policy as a way to assist these households to at least receive the following basic services. Qualifying households receive the following benefits:-

- 50 kw/h electricity per month
- 6 Kl free basic water per month
- Free refuse removal
- Free basic sanitation
- Free burial for qualifying households

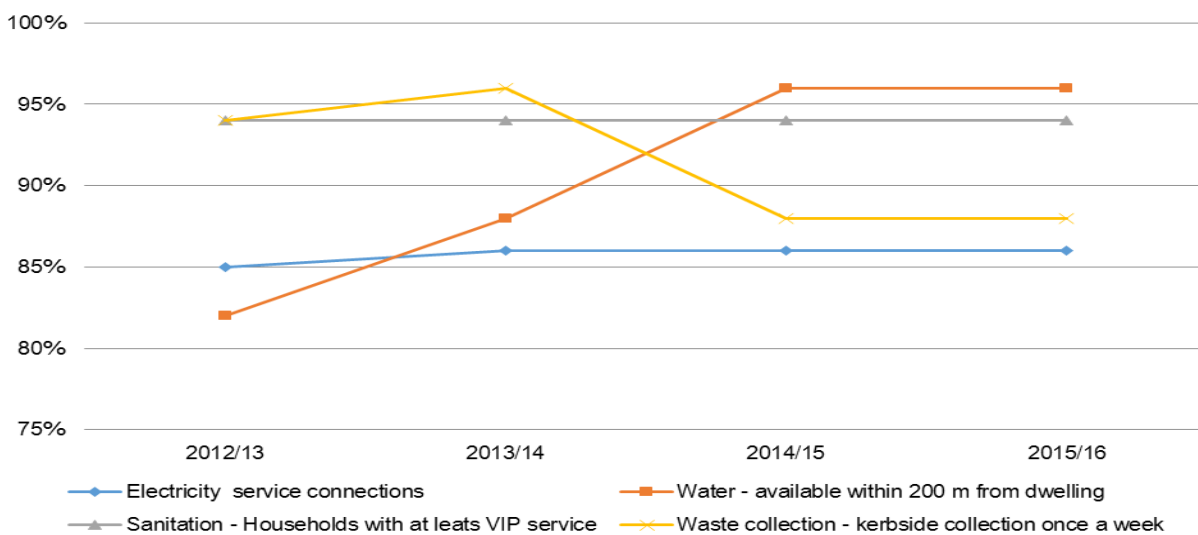
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- Exemption from the payment of rates and taxes

MCLM will continue to identify and implement projects that are aimed at improving the lives of people who reside within the Municipality's area of jurisdiction. Concerted efforts will continue to be exerted by the Departments that are responsible for service delivery to ensure that the Universal Access targets are met. Households that are currently living below the poverty line will continue to be supported through the Indigent Management Programme.

T 1.3.1

Proportion of households with access to basic services



T1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

Observing the graph, one must clarify that statistics of informal settlement households impact on the level of services provided as the current status does not allow for provisioning of formal basic infrastructure services

T1.3.3

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1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The year under review was challenging given the depressed economic growth both globally and in the domestic environment. South Africa's economic growth rate was revised downwards and the household debts levels have remained very high. The outlook does not look rosy either, the collapse of the currency against major international currency is likely to result in the importation of inflation. This has the spill over effect in that the South African Reserve Bank (SARB) may increase interest rates in an attempt to rein in inflation, and as this happen consumers may find themselves with little or no disposable income, this will certainly have an impact on the collection levels going forward.

INTRODUCTION

Mogale City achieved R 2.284 billion revenue collection against a budgeted R 2.036 billion (including capital grants) and R2.302 billion was expended compared to R 2.447 billion in the adjustment budget, in other words we expended 94% of the budget. Main tariffs achieved R1.712 or 106% of the budgeted figure (R 1.618 billion), this rate is calculated using the billed income as stated on the Statement of Financial Performance. Property rates achieved R 419 million or 121% of the adjusted budgeted amount (R 348 million); on bulk purchases 93% (R 700 million) of the budgeted amount (R 754 million) was spent, this compared to the previous year comes to a 6,4% year on year increase.

T 1.4.1

Financial Overview: 2014/15			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	372 996	371 880	350 005
Taxes, Levies and tariffs	1 596 466	1 617 644	1 617 712
Other	153 857	164 974	316 568
Sub Total	2 123 320	2 154 498	2 284 285
Less: Expenditure	2 370 408	2 447 307	2 301 986
Net Total*	(247 088)	(292 810)	(17 701)
* Note: surplus/(defecit)			T 1.4.2

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Operating Ratios	
Detail	%
Employee Cost	24.50%
Repairs & Maintenance	3.04%
Finance Charges & Impairment	12.37%
	T 1.4.3

COMMENT ON OPERATING RATIOS:

Employee costs: the proportion of this cost item as a percentage of total revenue has gone slightly up by a 0.3% notch, however it is notable that it is still below the three year moving average trend of 24, 50%.it is not yet a cause for concern.

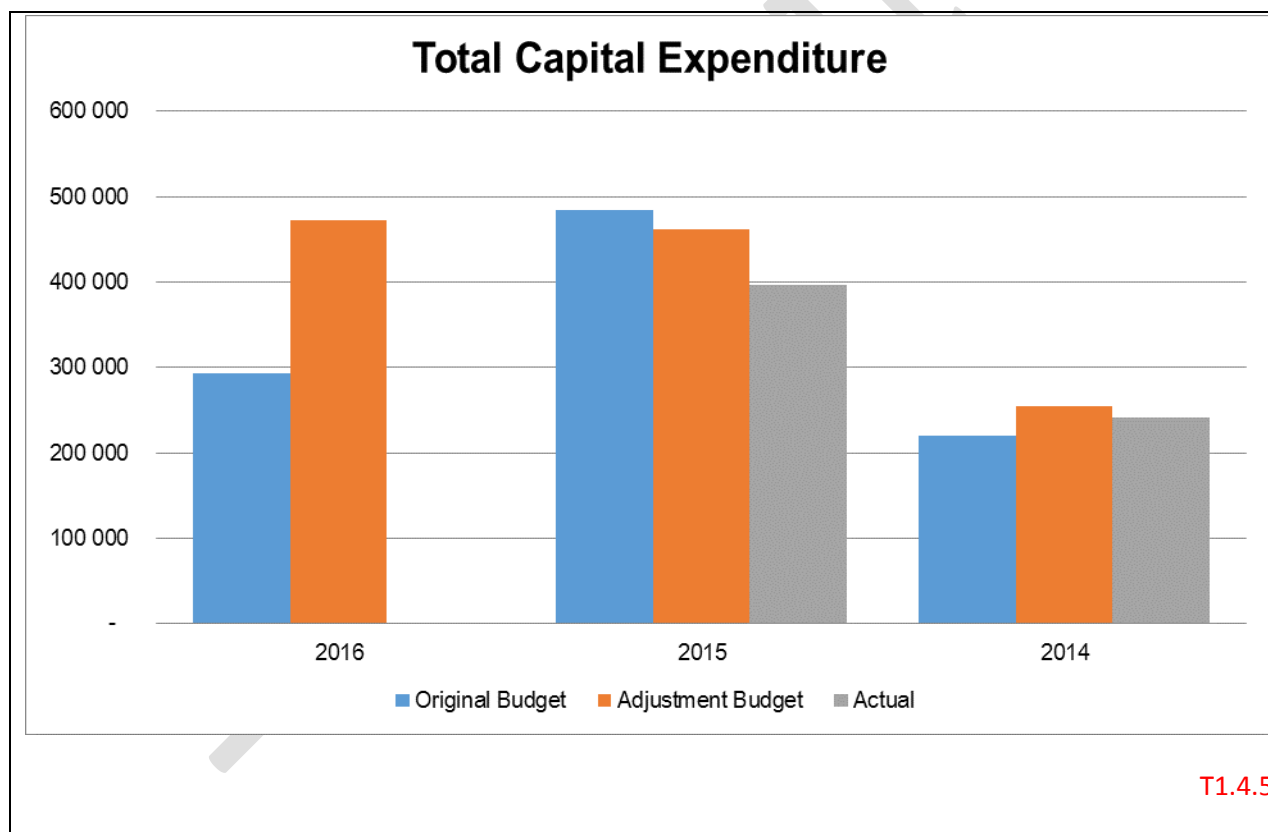
Repairs & Maintenance: The decline in this expenditure item compared with the previous financial year is in response to the implementation of a programme by the municipality to renew and replace aging fleet and infrastructure. As a result low expenditure is incurred on repairs of assets.

Capital Charges to operating expenditure: there is an increase in the percentage of charges as compared to revenue, this is an indication that MCLM is intending to accelerate repayments. This will in future brings about benefits in the form of savings on interest charges. The decrease in the proportion of interest as a percentage of the total payments indicate the acceleration of capital payments by the municipality. Included in the 12% is the impairment charge made up of uncollectable revenue both on services and traffic fines, the latter based on the iGrap requirements.

T1.4.3

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Total Capital Expenditure: from 2014/15 to 2015/16			
	R'000		
Detail	2014	2015	2016
Original Budget	220 581	483 996	293 360
Adjustment Budget	253 812	461 909	472 288
Actual	241 823	397 094	
	T 1.4.4		



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COMMENT ON CAPITAL EXPENDITURE:

For the 2014/2015 Financial Year, the original capital budget was R484 million, the adjustment budget was decreased by 4.76% to R462 million. The expenditure for the year amounted to R397 million, this amounts to 86% of the approved adjustment budget.

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1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organizational Development section deals with the following:

1. Organisational Design (OD)
2. Job Evaluation
3. Individual Performance Management
4. Change Management
5. Identification of OD Interventions required (e.g. succession management, etc.)
6. Employment Equity
7. Coordination of Gender Equity Youth and Disability Programme Implementation and Reporting
8. Organisational Culture

T1.5.1

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1.6 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 2014/15

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

The efforts and dedication of the Municipality towards sustaining an unqualified audit status (Clean Audit) is based on Mogale City responding comprehensively to all matters raised by the Auditor General to ensure progress towards the national objective of a clean audit from 2014 going forward. The audit opinion was issued with matters of emphasis as outlined in the report of the Auditor General of South Africa included in the annual report.

There were no findings identified on Performance information Audit of Predetermined Objectives for the financial year 2013/14. During 2014/15 Auditor General selected two Strategic goals/objective for Auditing purposes (Providing sustainable services to the community and promoting sound environmental management system). The audit conclusion was unqualified for both objectives assessed. In essence, the reported information of Infrastructure services and Integrated Environmental Management was found to be useful and reliable in all material aspects because material misstatements were corrected on the Annual Performance report.

Audit Action plans were yet again developed based on the findings raised by AG, these were on a continuously monitored through the Operation Clean Audit Committee meetings, which take place twice a month. These meetings gives the Municipality an opportunity to monitor the progress that has been made as well as preparation for the upcoming audit process. The Municipality is proud of this achievement and will continue to work very hard towards sustaining an unqualified audit status (clean audit).

T1.6.1

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1.7 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft 2015/16 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	January
		T1.7.1

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COMMENT ON THE ANNUAL REPORT PROCESS:

The 2015/16 Draft Annual Report was compiled in accordance with the requirements of Section 121 of the Municipal Finance Management Act 56 of 2003 and Section 46 Municipal Systems Act 32 of 2000. The purpose of this Report is:

- To provide feedback on activities of the Municipality;
- To provide a report on performance in service delivery and budget implementation for the financial year, and
- To promote accountability to the community for the decisions made from July 2015 until June 2016.

This Draft Annual Report has been developed according to the provision of Circular No.63 of the Municipal Finance Management Act which indicates that real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget, SDBIP, in year reports, Annual Financial Statements, Annual Performance Report and the Annual Report.

Alignment between the IDP Budget and Performance Management

Chapter 5 of the Municipal Systems Act provides for the adoption of the IDP which set out the objectives and development goals of the municipality. It is therefore imperative that municipal council approve the budget in order to fund what the IDP as the plan is set to achieve. Furthermore the Executive Mayor needs to approve the SDBIP as per Section 53 of the MFMA as the monitoring tool for the implementation of IDP according the approved Budget. The municipality is liable to present quarterly reporting on SDBIP, In-year budget reports, and Mid-Year performance review reports to inform Budget adjustments. The annual performance report and annual financial statements also must be submitted to the Auditor General whereby the audit report will be issued and incorporated into the Annual Report.

The annual report will be submitted to MPAC for oversight and simultaneously publicised for public comments after the Council has adopted the MPAC Oversight report, the Municipality will place the Annual Report on the website for transparency. This process will surely improve accountability by the executive to non-executive and would deal with issues raised by the Auditor General and act on the recommendations thereof

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This annual report seeks to provide a detailed record of the municipality's performance according to the set objectives in the Strategic plan, implemented through the IDP Process and monitored in accordance with the legislated reports.

Timeframes

MCLM is compiling the 2015/16 Annual Report for submission by end August 2016 as per the provisions of Circular 63 of MFMA. The Annual Performance Report and Annual Financial Statements will be submitted to Auditor General by 31 August 2016.

T1.7.1.1